APPENDIX VII.

RESOLUTIONS ON THE BUDGET WHICH WERE NOT TAKEN UP.

* * * * * *

Mover.—Mr. Jatra Naik.

(2) This Assembly recommends to the Government of His Highness the Maharaja that a sum of Rs. 25,000 be provided in the Budget for the Liquor Prohibition propaganda.

Mover.—Mr. Bagamane Devegowda.

(5) This Assembly recommends to the Government of His Highness the Maharaja the necessity for providing larger grants for Malnad Improvement works.

(6) This Assembly recommends to the Government of His Highness the Maharaja the necessity for providing one-tenth of the Land Revenue for distribution to the Village Panchayets for their proper working.

(7) This Assembly recommends to the Government of His Highness the Maharaja the necessity for making provision in the Budget for making subventions to the District Board to enable them to discharge their legitimate duties.

(8) This Assembly recommends to the Government of His Highness the Maharaja that the allotment for drinking water wells in villages be increased.

(9) This Assembly recommends to the Government of His Highness the Maharaja that a non-official committee consisting of the elected representatives of this House and of the Council be constituted to suggest retrenchment in the State expenditure.

(10) This Assembly recommends to the Government of His Highness the Maharaja that a decent provision be made in the Educational Budget to give physical training in all schools and also to allot building and maintenance grants to Physical Culture Institutes in the State.

(11) This Assembly recommends to the Government of His Highness the Maharaja that the necessary provision be made in the Budget so as to enhance the pay and qualification of teachers of Middle and Primary Schools.

Mover.—Mr. B. Gopalachar.

(13) This Assembly recommends to the Government of His Highness the Maharaja to reduce the expenditure on General Administration at least by 10 per cent.

(14) This Assembly recommends to the Government of His Highness the Maharaja that necessary funds be provided in this Budget for the location of Central Malnad Hospital at Shimoga.

(15) This Assembly recommends to the Government of His Highness the Maharaja that a non-official committee consisting of the elected representatives of this House and of the Council be constituted to suggest retrenchment in the State expenditure.

(16) This Assembly recommends to the Government of His Highness the Maharaja the necessity for making larger provision than has been provided for carrying out "Malnad Improvement Works."

(17) This Assembly recommends to the Government of His Highness the Maharaja the necessity for making a larger provision than has been provided for, in the Budget under the head "Grants to Village Panchayets."

(18) This Assembly recommends to the Government of His Highness the Maharaja the necessity for making a larger provision of grants under special repairs to Shimoga-Mangalore State Fund Road.

(19) This Assembly recommends to the Government of His Highness the Maharaja that larger grants be made for advances to Co-operative Societies and loans for Agriculture Implements and Manure.

(20) This Assembly recommends to the Government of His Highness the Maharaja that a decent provision be made in the Educational Budget to give physical training in all schools and also to allot building and maintenance grants to Physical Culture Institutes in the State.

(21) This Assembly recommends to the Government of His Highness the Maharaja the necessity for making a provision in the Budget for making subventions to District Boards to enable them to discharge their legitimate duties.

(22) This Assembly recommends to the Government of His Highness the Maharaja the necessity for making larger provision than has been provided for, in the Budget for the restoration of "minor tanks" in the State.

Mover.—Mr. B. L. Byanna.

(23) This Assembly recommends to the Government of His Highness the Maharaja that necessary provision in the Budget for 1930-31 be made for enhancing the salary of teachers in Primary and Middle Schools in the State.

(24) This Assembly recommends to the Government of His Highness the Maharaja that necessary provision in the Budget for 1930-31 be made to raise the salary of the "Menial Staff" in the State.

(25) This Assembly recommends to the Government of His Highness the Maharaja that necessary provision in the Budget for 1930-31 be made to raise the pay and prospects of the compounders in the Medical Department of our State.

(26) This Assembly recommends to the Government of His Highness the Maharaja that the present allotment in the Budget for 1930-31 under the heading "26 Education—11 Buildings" be adequately increased.

(27) This Assembly recommends to the Government of His Highness the Maharaja that the allotment in the Budget for 1930-31 under the heading "30 Grant for Public Improvements —1 Bangalore City Improvement" be adequately increased.

(29) This Assembly recommends to the Government of His Highness the Maharaja that necessary steps be taken to remove and discourage further planting of "Date-palm trees or groves from the forests" as a first step towards the eradication of the Drink Evil.

(30) This Assembly recommends to the Government of His Highness the Maharaja that adequate provision in the Budget for 1930-31 be made for the protection of the Deaf, Dumb and Invalids in our State.

(31) This Assembly recommends to the Government of His Highness the Maharaja that necessary steps be taken to discourage the sales of Ganja, Majum, Opium and other similar intoxicating drugs as a good beginning towards the eradication of the Drink Evil in our State.

Mover.—Mr. Mahomed Abbaskhan.

(32) This Assembly recommends to the Government of His Highness the Maharaja that all fresh items of lumpsum grants intended for any special work or the reorganisation of establishments be separately shown in the Budget proper and not merged into sanctioned items and shown in the Appendices.

(33) This Assembly recommends to the Government of His Highness the Maharaja that the allotment for industrial schools, particulars of which have been furnished under the Department of Industries and Commerce be not transferred from that head and added on to the Education Department.

(34) This Assembly recommends to the Government of His Highness the Maharaja that the system of debiting establishment charges of the Public Works Department to various Government Departments in general and Education Department in particular for executing works relating to those departments to be given up as it is opposed to the general principles and policy underlying the Budget.

(35) This Assembly recommends to the Government of His Highness the Maharaja that the system of debiting to the Educating Department grants given to orphanages be given up, as it is opposed to principle underlying the Budget.

(36) This Assembly recommends to the Government of His Highness the Maharaja that so long as incomplete Middle Schools continue to exist as separate units the budget allotment for those schools be shown separately in the Budget and not

merged into allottment for Middle Schools in order that the Budget Estimates may represent actual conditions.

(37) This Assembly recommends to the Government of His Highness the Maharaja that the allottments for Indian Institute of Science and Boy Scout charges now shown under 26 Education be transferred from that head to 17 Miscellaneous.

(38) This Assembly recommends to the Government of His Highness the Maharaja that the budget allottments for School of Engineering shown under 26 Education be removed from that head and transferred to Public Works or any other Department.

(39) This Assembly recommends to the Government of His Highness the Maharaja that particulars of Home Industries for which Government grant is being given be furnished in the Budget.

(40) This Assembly recommends to the Government of His Highness the Maharaja that the nature of experimental works for which lumpsum allotments are being made in the Budget be explained in the Budget.

(41) This Assembly recommends to the Government of His Highness the Maharaja that the necessary provision be made in the Budget to convert Grant-in-Aid Schools into Government institutions and to raise the standard of Incomplete Middle Schools to that of Complete Middle Schools.

(42) This Assembly recommends to the Government of His Highness the Maharaja that a more liberal grant for opening new dispensaries in rural parts be sanctioned.

(43) This Assembly recommends to the Government of His Highness the Maharaja that the enhancement of fee payable for special wards in the Victoria and Sri Krishnarajendra Hospitals being opposed to the general principles and policy underlying Budget, the fee may be reduced to its former rate.

(44) This Assembly recommends to the Government of His Highness the Maharaja that the power of awarding scholarships in the Department of Industries and Commerce be vested in a committee of non-officials of which the Director of Industries and Commerce shall be the Chairman, the present practice being inconsistent with the policy underlying the Budget.

(45) This Assembly recommends to the Government of His Highness the Maharaja that no more investment on the capital side of the Weaving Factory be made as it is against the principles underlying the Budget.

MOVER.—**Mr. C. Subbanna Naik.**

(46) This Assembly recommends to the Government of His Highness the Maharaja that the posts of Range Inspectors and Supervisors in the Excise Department be abolished and that the Taluk Amildars be entrusted with their work.

(47) This Assembly recommends to the Government of His Highness the Maharaja that the present rates of travelling and daily allowances of officers above the rank of Assistant Commissioners be reduced.

MOVER.—**Mrs. M. Ramaswamy.**

(48) This Assembly recommends to the Government of His Highness the Maharaja that they may be pleased to allot funds for the increase of the salary of the village school masters.

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APPENDIX VIII.

GENERAL RESOLUTIONS WHICH WERE NOT TAKEN UP. WITH AMENDMENTS THEREON.

1. This Assembly recommends to the Government of His Highness the Maharaja that a Committee of officials and non-officials be appointed to go into the question of how far the orders on the Miller Committee Report have improved the representation of backward communities in Government service and to suggest methods so as to afford proper and adequate representation to various communities in proportion to their population, both in the higher and lower grades of service in the State.

MOVER.—**Mr. H. B. Gundappa** alias **Gundappa Gowda**, Hassan Taluk.

2. This Assembly recommends to the Government of His Highness the Maharaja that they may be pleased te appoint a mixed Committee of non-officials and officials to consider and suggest reforms favourable to the raiyats in connection with the land revenue policy of the State.

MOVER.—**Mr. V. Venkatappa**, Chennapatna Taluk.

AMENDMENTS.

(i) In line 3, Insert the phrase 'with a majority of the former' between 'officials' and 'to consider and suggest.'

MOVER.—**Mr. Bagamane Devagowda**, Chickmagalur Taluk

(ii) In line 4, Add 'with special reference to the District of Kolar.' after 'State' omitting the full stop after 'State.'

MOVER.—**Mr. K. Ghengalraya Reddy**, Bowringpet Taluk.

3. This Assembly recommends to the Government of His Highness the Maharaja that before the question of enhancing any cess, tax, process or land revenue that is now payable to

Government in any department or in any form is taken up, the opinion of this Assembly may be first obtained: that the House in so giving its opinion in the matter may be helped by such information as to the present incidence of taxation on the subjects, the economic condition of the State and the capacity of the subjects to bear the burden of taxation; and that a mixed committee including non-official members of this house be appointed separately for every District (to investigate into this matter.)

MOVERS.—**Messrs. M. Abdul Aziz**, Chikmagalur Municipality; **Bagamane Devagowda**, Chikmgalur Taluk; **M. Hutche Gowda**, Mudigere Taluk; **D. V. Halappa**, Kadur Taluk; **Ramappa Gowda**, Chikmagalur Taluk; **Manje Gowda**, Mudigere Taluk and **A. Putte Gowda** Narasimharajapur Sub-Taluk.

4. This Assembly recommends to the Government of His Highness the Maharaja that a Committee of officials and non-officials with a majority of the latter be constituted to enquire into the question of land revenue assessment.

MOVER.—**Mr. Chengalrayareddi**, Bowringpet Taluk.

AMENDMENT.

In lime 3. Omit full stop after 'assessment' and add the following:—

'and the economic condition of the people.'

MOVER.— **Mr. Bagamane Devagowda**, Chikmagalur Taluk.

5. This Assembly recommends to the Government of His Highness the Maharaja that 75 per cent of the District Sheristedars of the Deputy Commissioners' offices may be appointed from among the members of the backward communities.

MOVERS.—**Messrs. G. C. Mahalingappa**, and **H. N. Parameswaran**, Shimoga Taluk; **L. Siddappa**, Channagiri Taluk; **Basappa Gowda** and **K. Holeyappa**, Sorab Taluk; **S. Siddabasappa**, Shikarpur Taluk; **G. Chennappa Setty**, Sagar Taluk and **M. Basappa**, Kumsi Sub-Taluk.

AMENDMENT.

In line 2, Insert 'and Taluk' between 'District' and 'Sheristedars.'

In lines 2 and 4 for the words 'of the Deputy Commissioners' offices' substitute the words 'on the basis of population'

MOVER.—**Mr. Bagamane Devagowda**, Chikmagalur Taluk.

6. This Assembly recommends to the Government of His Highness the Maharaja that a committee of official and non-official gentlemen, be appointed at an early date, to advise the

Government in the matter of recruitment of officials to public services with a view to secure adequate representation of all communities in both the gazetted and non-gazetted ranks in the State, according to population and importance of the communty.

MOVERS.—**Messrs. D. S. Mallappa** and **M. Basaviah**, Tiptur Taluk; **G. K. Mallappa**, Tiptur Municipality; **N. Channappa** and **Doddegowda**, Gubbi Taluk; **G. Murigappa**, Gubbi Municipality; **M. B. Kappannagowda**, Turuvekere Sub-Taluk; **K. Narayana Setty** and **Abdul Nabi Khan**, Tumkur Taluk; **Desada Yejaman Siddappa**, Tumkur Municipality; **R. Puttaveerabhadrappa** and **S. Nanjiah Setty**, Madhugiri Taluk; **K. N. Siddarama Setty**, Madhugiri Municipality; **S. M. Sivalingappa** and **H. C. Veerabhadrappa**, Chiknaikanhalli Taluk; **Chandrasekharappa**, Kortagere Taluk; **P. Nagarajiah** and **G. Shankara Setty**, Pavagada Taluk; **Sorappa** and **Maralegowda**, Sira Taluk; **Chowdri Abdul Razak Saheb**, Sira Municipality; **Balegowda**, Kunigal Taluk.

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8. This Assembly recommends to the Government of His Highness the Maharaja that Munsiff Magistrates' Courts may be established in each of the taluks in the State.

MOVERS.—**Messrs. Dharmaprakasha D. Banumiah** Mysore City Municipality; **Gurukar Nanjappa**, Gundlupet Taluk; **G. Mallanna**, Mysore Taluk; **T. S. Sadasiva Murthy** and **B. S. Puttasamy** T.-Narsipur Taluk; **B. Nanjundaradhya**, Nanjangud Municipality; **V. Bandaiya** and **Puttamadappa**, Nanjangud Taluk; **K. V. Veeranna**, Chamarajnagar Taluk; **S. C. Mallaiya**, **H. Honnaiya** and **M. C. Linge Gowda**, Mandya Taulk; **Mudlagiri Gowda**, Malvalli Municipality. **B. Chennappa** and **B. Siddalinga Setty**, Yedatore Taluk; **C. Mari Gowda** and **A. Lingegowda**, Krishnarajapete Taluk; **H. K. Madaiya** and **Puttaswami Gowda**, Malvalli Taluk; **K. Naganna**, Yelandur Jaghir; **Sivananje Gowda**, **S. Devayya** and **Kulle Gowda**, Seringapatam Taluk; **M. Subbayia**, Seringapatam Municipality; **K. M. Krishnappa Gowda** and **T. M. Kapani Gowda**, Nagamangala Taluk; **H. V. Hanumantha Setty** and **H. R. T. Rajagopala Mudaliar** Hunsur Taluk; **Ibrahim Khan**, Hunsur Municipality, **C. Dasappa** and **B. Lingegowda**, Heggaddevankote Taluk.

9. This Assambly recommends to the Government of His Highness the Maharaja that an additional grant of rupees one lakh may be given to the University for the early introduction of military training and physical culture.

MOVER.—**Mr. J. M. Imam**, Mysore University.

10. This Assembly recommends to the Government of His Highness the Maharaja that a law may be promulgated in the Mysore State prohibiting the employment of Banajara boys under ten years of age.

MOVER.—Mr. Jatra Naik, Minority interest.

APPENDIX IX.

EXPLANATORY MEMORANDUM OF THE FINANCIAL SECRETARY ON THE BUDGET ESTIMATES 1930-31.

Introductory Remarks.

The published estimates contain four sets of figures in parallel columns, *viz.*, the audited accounts of the last financial year (1928-29), the budget and the revised estimates of the current year and the Budget Estimates of the ensuing year.

2. Broadly speaking, the budget is a cash document. The transactions included in the estimates and accounts represent mainly the actual cash receipts and disbursements during the financial year,—July to June—as distinguished from amounts due by or to Government during the same period. The practical advantage of this system is that it keeps the financial record of the year on a basis of realised facts.

3. The transactions are classified under the following main divisions :—

(*a*) Revenue.	(*c*) Debt.
(*b*) Capital.	(*d*) Remittance.

The first division deals with the proceeds of taxation and non-tax revenues, as well as the expenditure chargeable to them. The net result represents the surplus or deficit in the year's revenue account.

The second division deals with outlay incurred in building up productive assets, *i.e.*, properties of a remunerative character which are usually financed from one or more of the following sources :—

(i) Borrowed Funds.

(ii) Contributions and receipts of a capital nature intended to be applied to Capital expenditure.

(iii) Revenue Surpluses.

The third division comprises debt in comings and out goings, such as deposits, loans and advances, receipts from which represent a liability and payments, an asset, Government acting practically as bankers in respect of these transactions.

The fourth and last division embraces the adjusting heads, under which appear all cash remittances from one treasury or bank to another, besides those which are necessitated by the system of exchange accounts in force among departments of Government, and between the Government of Mysore and the Government of India.

4. In each of the four divisions mentioned above, the transactions are grouped into sections which are further sub-divided into major, minor and detailed heads of account.

5. The accounts under the several divisions are worked from balance to balance. These balances are merged in the general cash balance of the State, some portion of which is kept in the State Treasuries, while the rest is deposited with the Government Bankers in India and in London.

6. In this Memorandum, endeavour is made to explain the salient features of the transactions under the first two divisions, *viz.*, Revenue and Capital, the expenditure grants under which, with some reservations, are subject to the vote of Legislature, and brief references wherever necessary are made to the others.

7. Prior to dealing with the Budget Estimates of 1930-31 which is the main theme for discussion, the closed accounts of the financial year 1928-29 and the anticipated results of the current year on the basis of latest actuals and other information so far available will as usual be briefly reviewed.

Accounts 1928-29.

8. *Comparison of the actuals of 1928-29 with the budget of that year.*—In the budget of 1928-29 the total collection of revenue was estimated at Rs. 355·91 lakhs and provision was made for a total expenditure of Rs. 365·43 lakhs. As explained in the last year's Memorandum, the revenues have shown substantial improvement over the budget anticipation and according to the closed accounts of the year the total income has reached Rs. 374·58 lakhs. Out of the improved revenue resources, several urgent and essential departmental demands have been provided for and some amount has also been transferred to the Special Reserve. The total expenditure has accordingly risen to Rs. 382·25 lakhs.

The final transactions of the year 1928-29 compared with the budget estimates of that year and the actuals of 1927-28 stand as follows :—

In lakhs of rupees.

Particulars	Budget 1928-29	Actuals 1928-29	Better + or worse —	Actuals 1927-28
	Rs.	Rs.	Rs.	Rs.
Total Revenue ...	355·91	374·58	+18·67	360·81
Expenditure ...	365·48	377·12	—11·64	367·41
Amount transferred to the Special Reserve for non-recurring expenditure.	..	5·13	—5·13	·98
Total Expenditure ...	365·48	382·25	—16·77	368·39
Deduct—Expenditure met from Reserves.	—10·00	—8·23	—1·77	—7·99
Net expenditure charged to Revenue.	355·48	374·02	—18·54	360·40
Surplus ...	+·43	+·56	+·13	+·41

9. As in the previous year the bulk of the improvement in revenue is contributed by the Major Head II Forest, as the result of good sales of Sandal Oil and larger supply of Balgi poles to the Electrical Department and sleepers to the Mysore Railways.

The more important variations in the actuals as compared with the budget are detailed in the subjoined table.

In lakhs of rupees.

Major Head	Budget 1928-29	Actuals 1928-29	Increase +	Decrease —
	Rs.	Rs.	Rs.	Rs.
II. Forest	36·35	48·34	+11·99	...
III. Excise	64·67	69·14	+4·47	...
IV. Income-tax	12·92	13·63	+·71	...
V. Stamps	20·85	21·96	+1·11	...
VI. Registration	3·55	3·83	+·28	...
VII. Assigned Tract Revenue ...	1·58	1·81	+·23	...
IX. Interest	6·10	8·40	+2·30	...
XIII. Miscellaneous	3·21	1·76	...	—1·45
XXIV. Railways	26·28	23·61	...	—2·67
XXV. Hydro-Electric and Irrigation Works	28·81	28·10	..	—·71
Total of minor increases and decreases under other heads	...	...	+2·97	—·56
Total ...	..	...	24·06	—5·39
	Net increase			+18·67

All the important heads of revenue except Land Revenue, Miscellaneous, Railways, and Hydro-Electric Works have shown improvement.

The fall under Miscellaneous is accounted for by the non-disposal of building sites in the new extension behind the Central Jail as anticipated at the budget time.

The decrease under Railways is due to a special adjustment of Rs. 2·67 lakhs charged as working expenses by credit to the Depreciation Fund to which the cost of renewals and replacements of Branch Lines, *viz.*, the Bangalore-Chikballapur and Kolar District Railways had been erroneously debited in previous years.

10. As compared with the budget the actual expenditure showed an increase of Rs. 16·78 lakhs. The appreciable increases and decreases are explained below:—

Heads	Increase in lakhs	Decrease in lakhs	Explanations
2. Forest ...	1·75	...	The heads that show increases are 'Timber and other produce removed by Government Agency,' 'Sowing and Planting,' 'Khedda operations,' 'Miscellaneous,' 'Travelling Allowance to Establishment' and charges on account of Creosote Plant partly counterbalanced by decreases under 'Executive and Protective Staff' and 'Fixed T. A.'
3. Excise ...	·25	...	The increase is mainly under Establishment and T. A. charges under District Executive Establishment.
5. Registration ...	...	·13	The decrease is due to less expenditure under 'Establishment' under District Charges.
9. Interest on Debt and other obligations.	1·05	...	The increase mainly appears under Interest on Savings Bank Current Deposits and Miscellaneous.
12. General Administration.	·74	...	Due to heavier payments on account of 'Tour Charges of H. H. the Maharaja,' 'Entertainment of Indian Guests', 'Bangalore Disturbances Enquiry Committee' and 'Durbar Presents'.
15. Pensions and Allowances.	...	·49	Due to decrease under 'Superannuation and Retired Allowances' partly compensated by small increases under other minor heads.
16. Stationery and Printing.	·32	...	The increase appears under 'Cost of printing paper and Stationery' as also under 'Piece-work Establishment'.
17. Miscellaneous	·50	..	Increases are under 'Loss on sterling remittances and on sale of Securities', 'Irrecoverable loans written off', 'Miscellaneous' and 'Flood relief charges.'
18. Courts of Law	·57	...	The increase is mainly due to the reorganisation of the Court and Process Serving Establishment.
19. Jails ...	...	·20	Due to the increased receipts on account of 'Sale Proceeds of Manufactures' as also decrease under 'Rations and dietary charges' set off by less recoveries towards cost of maintenance of C & M. Station Prisoners.
20. Police ...	·38	...	Due to the revision of the pay and allowances of the Inspectors, Sub-Inspectors and Jamedars as also to additional expenditure incurred in connection with the Bangalore Disturbances.
21. Medical ...	·18	...	Due to the increased expenditure under Europe Medicines partly compensated by the increased receipts on account of medicines sold.
23. Irrigation Works charged to Revenue.	...	1·46	Decrease is mainly under Original Works, major and less transfer of Establishment charges from Civil Works.

Heads	Increase in lakhs	Decrease in lakhs	Explanation
24. Civil Works and 24A. Communications.	5·31	...	Due to increased expenditure under Original Works, 'Civil Buildings' both under major and minor works. In accordance with Government Order No. Fl. 2578-667—G. F. 65-26-1, dated 29th September 1928 sanctioning the formation of a Road Fund a new major head called '24 A. Communications' was opened during the year and the outlay relating to Roads and Bridges, Travellers' Bungalows and Hill Stations which used to be booked under 24 Civil Works was booked under the newly opened head. A sum of Rs. 2,13,000 was charged off under this head as contribution to 'Road Fund' in addition to the actual expenditure incurred.
25. Economic Development.	...	·22	Decrease appears mainly under 'All India Exhibition' partly compensated by increased expenditure under 'Agricultural and Industrial Developments'.
26. Education ...	1·12	...	Due to the net result of additional expenditure under State grant to Mysore University, Supervision, Middle Schools, Primary Education, Special communities Education, Training Institutions, Scholarships and less contributions received from District Boards on account of Education Cess *less* savings under High Schools, Buildings etc. heads.
27. Agriculture ...	1·63	.	The increase particularly appears under Serum to the extent of Rs. 1·36 lakhs. The balance of the increase is accounted for under New Mansion Grounds, Cattle breeding station and Civil Veterinary Hospitals and Dispensaries, partly compensated by larger recovery on account of Inoculation fees and sale proceeds of calves.
28. Industries and Commerce.	·22	...	Due to the increase under Industrial Survey, Establishment and Travelling Allowance charges under Weaving (net) and Experimental Works.
30. Grants for Public Improvements.	...	·31	Decrease due to less expenditure under 'Rural Reconstruction' 'Drinking water wells in Villages' and 'Improvement Works' under Malnad Improvements partly counterbalanced by increase under 'Improvement of Water-supply in Towns.'
31.* Army ...	·48	...	This is due to the net result of increased expenditure under Headquarters, Mysore Lancers, Grass Farms and Military Works, *less* decrease under Mysore Transport Corps, Mysore Horse and Barr or Native Infantry. The increase under Mysore Lancers is mainly under purchase of Remounts.
Special Reserve for Non-recurring expenditure	5·13	...	Due to the adjustment of the excess over the average of the last five years' net Revenue under Sandal oil effected in the accounts for June 1929 in accordance with the orders of Government.

11. *Comparison of actuals of* 1928–29 *with those of previous years.*—The actuals of revenue and expenditure excluding capital, debt and remittance transactions of the year 1928-29 and of five previous years are set forth below :—

In lakhs of rupees.

	1923–24	1924–25	1925–26	1926–27	1927–28	1928–29
Total Revenue ...	332·57	339·62	346·37	338·69	360·81	374·58
Expenditure charged to year's revenue.	332·02	339·36	346·03	347·40	360·40	374·02
Surplus or deficit ...	·55	·26	·34	−8·71	·41	·56

From the above statement it will be seen that except in the year 1926-27 in which the revenues disappointed expectations there has been a steady growth in the total revenue.

12. The position of the Reserves at the end of the last account year was as under :—

In lakhs of rupees.

	Balance on 1-7-1928	Credits	Debits	Closing balance on 30-6-1929
Special Reserve ...	6·38	5·14	1·44	10·08
Irrigation Capital Reserve ..	3·75	...	1·66	2·09
Irrigation Cess Fund ...	11·29	4·60	7·53	8·36
Road Fund	...	15·81	13·68	2·13
Total ..	21·42	25·55	24·31	22·66

The total expenditure provided in the budget was Rs. 365·48 lakhs of which a sum of Rs. 10 lakhs was chargeable to the Reserves. The aggregate expenditure as per actuals was Rs. 382·25 lakhs of which a sum of Rs. 8·23 lakhs was charged to the Reserves as per particulars given below :—

EXPENDITURE MET FROM RESERVE.

Sl. No.	Reserve from which expenditure was met	Nature of expenditure	Amount
1	Special Reserve for non-recurring expenditure.	Additional contribution to Road Fund	Rs. 1·44 lakhs
2	Irrigation Capital Reserve.	Outlay on Bhadra Anicut and Channels.	1·66 ,,
3	Irrrigation Cess Fund ..	Outlay incurred on the construction and restoration of Irrigation Works as per sanctioned triennial programme.	2·13 ,,
4	Famine Reserve ..	For meeting the cost of other Irrigation Works including restoration of Minor Tanks.	3·00 ,,
		Total ...	8·23 lakhs

13. The above statements show that the revenue position of the year 1928-29 was satisfactory and that the improved revenues enabled Government to put by some money to the Reserves after meeting all essential requirements of the year.

Capital Outlay.

14. The budget programme contemplated an outlay of Rs. 89·55 lakhs and the actual expenditure was Rs. 83·96 lakhs or Rs. 5·59 lakhs less. The details of lapse are noted below:—

In lakhs of rupees

	Budget grant	Actuals	Extent of lapse
37. Railways and Tramways.	19·54	17·50	—2·04
38. K. R. S. Hydro-Electric and Irrigation Works ...	58·50	57·96	— ·54
39. Industrial or other works.	1·51	·06	—1·45
40. Iron Works ...	10·00	8·44	—1·56
Total ..	89·55	83·96	—5·59

The lapse under Railways and Iron Works was mainly due to non- receipt before the expiry of the year of machinery and materials for which orders had been placed in foreign countries.

Almost the whole of the grant under Industrial and other Works has been allowed to lapse as the contemplated works were not taken up during the year.

15. The result of the Ways and Means operations of the year was better than the budget anticipation.

The net incomings under Debt heads were more than the budget by Rs. 13·30 lakhs due chiefly to larger receipts under Savings Bank Deposits, Insurance and Provident Funds, Reserve Funds and lesser outgoings under Investment account and Local and other Funds and Advances.

16. Against the estimated closing balance of Rs. 49·23 lakhs the actual balance at the end of the year in Treasuries and Banks was Rs. 62·53 lakhs.

17. For fuller details of the actuals of 1928-29, reference is invited to the published Finance and Revenue Accounts and the Audit and Appropriation Report of the year.

Revised Estimates 1929-30.

18. The financial position in the current year according to the results anticipated in the light of information so far available will now be reviewed.

19. The budget of the current year was framed on the expectation of a revenue realisation of Rs. 370·93 lakhs counting on a small growth of about a lakh of rupees over the revised of the previous year and the total expenditure chargeable to revenue was estimated at Rs. 370·56 lakhs, leaving a surplus of Rs. 0·37 lakh.

According to the revised calculations now made, the revenues of the year are likely to be better than the budget anticipation by Rs. 2·88 lakhs which will be appropriated for the urgent additional demands for the year and it will close with a revenue surplus of Rs. ·30 lakh.

20. *Revenue.*—The variations under revenue heads are:—

		Increase in lakhs. Rs.
I.	Land Revenue	·90
II.	Forest	1·37
III.	Excise	1·83
VII.	Assigned Tract Revenue... ...	·51
IX.	Interest	1·38
XIXA.	Communications	·71
XXV.	Hydro-Electric and Irrigation Works	1·88
Minor increases under other heads aggregating.		·32
	Total ...	8·90

Per contra.—Decrease under

Income-Tax (·46), Stamps (1·41), Miscellaneous (1·85), Railways (1·76) and other heads (·54)	−6·02
Net improvement	2·88

21. The largest falling off in the budget anticipation occurs under V. Stamps, XIII. Miscellaneous and XXIV. Railways.

The Budget under Stamps was pitched at 22·83 lakhs on the basis of the revised of last year (22·77 lakhs). This latter has proved too sanguine an estimate. The actuals of 1928-29 only reached Rs. 21·95 lakhs. Having regard to the course of the receipts in the current year for 9 months, it is not likely that this head would yield more than Rs. 21·42 lakhs for the 12 months ending June 1930.

In the budget, a special item of receipt of Rs. 2 lakhs was expected from the disposal of sites in the new extension behind the Bangalore Central Jail compound. This expectation has not materialised. Fresh sales are proposed to be held and the realisations are anticipated in the next year's accounts. *Vide* para 39 *infra*.

The strike of labour on the G.I.P. and Nizam Guaranteed Railways and the slump in the manganese traffic account for the fall in the traffic receipts of Railways.

22. A comparison of the revised with the budget estimates under group heads is exhibited in the following table:—

[In lakhs of rupees.

Group heads of Revenue	Budget 1929-30	Revised 1929-30	Increase+ Decrease—
	Rs.	Rs.	Rs.
Principal heads of Revenue ...	275·40	277·50	+2·10
Surplus Revenue of Assigned Tra ...	1·95	2·46	+·51
Mining Revenue	12·65	12·35	—·30
Interest	9·14	10·52	+1·38
Civil Administration	4·95	3·17	—1·78
Protection	1·39	1·29	—·10
Public Works	4·13	4·96	+·83
Moral and Material Development ...	2·68	2·80	+·12
Army and Defence	·87	·95	+·08
Railways	26·91	25·15	—1·76
K. R. S. Hydro-Electric and Irrigation Works	30·03	31·91	+1·88
Industrial and other works ...	·83	·75	—·08
Total Revenue ...	370·93	373·81	+2·88
Total payments	385·98	387·49	1·51
Deduct—Expenditure met from Reserves.	15·42	13·98	1·44
Expenditure charged to Revenue ...	370·56	373·51	+ 2·95
Surplus ...	+·37	+·30	—·07

23. The Principal Heads of Revenue, Interest and Public Works continue to record progress. Larger consumption of power by the Metur Works mainly contributes for the anticipated improvement under XXV Krishnarajasagara Hydro-Electric and Irrigation Works.

Explanation will now be given of the more important variations from the budget anticipation.

Principal Heads of Revenue.

[In lakhs of rupees.

Major Heads	Budget	Revised	Increase + Decrease —
	Rs.	Rs.	Rs.
I. Land Revenue	127·74	128·64	+·90
II. Forest	41·04	42·41	+1·37
III. Excise	67·37	69·20	+1·83
IV. Income-tax	12·52	12·06	—·46
V. Stamps	22·83	21·42	—1·41
VI. Registration	3·90	3·77	—·13
Total ..	275·40	277·50	+2·10

Compared with the budget, the Revised shows an improvement under this group of Rs. 2·10 lakhs.

Land Revenue.

The realisation under Land Revenue will be about Rs. ·90 lakhs more than the budget figure, which represents the net receipts from Record of Rights Fees.

Forest.

The improvement under Forest (Rs. 1·37 lakhs) is mainly accounted for by the sale of elephants captured in the kheddas organised in connection with His Excellency the Viceroy's visit.

Excise.

The Excise revenue was budgetted on a conservative basis as for some years past (*vide* figures below) the course of this revenue had been on the downward grade.

1921–22	76·02 lakhs	1925–26	64·67 lakhs
1922–23	71·52 ,,	1926–27	62·72 ,,
1923–24	70·19 ,,	1927–28	63·62 ,,
1924–25	66·43 ,,	1928–29	69·14 ,,

Last year's figures of consuinption have shown some increase partly as the result of effective steps taken for the prevention of illicit practices and partly due to the increased competition in the auction sales of Excise privileges. Accordingly the current year's budget was placed at Rs. 67·37 lakhs on the basis of the revised estimate of 28-29.

The rentals of shops realised in the Excise sales held last year have been better than the budget anticipation. According

to the revised calculations made, the revenue is expected to reach Rs. 69·20 lakhs, showing an improvement of Rs. 1·83 lakhs. Better collection of arrears, greater vigilance on the part of the supervising staff for the prevention of smuggling, detection of illicit practices and the undertaking of works of magnitude such as Irwin Canal, Anjanapur and other Tank Works which have attracted labour, account for the increase in revenue under this head.

Income-Tax.

[In lakhs of rupees.

Minor heads	Actuals						Budget 1929—30	Revised 1929—30
	1923—24	1924—25	1925—26	1926—27	1927—28	1928—29		
1. Income-tax ..	10·65	12·69	15·11	10.64	10·84	11·00	9·98	10·00
2. Super-tax ...	5·50	5·77	7·38	4·19	4·55	4·25	4·04	3·54
3. Excise duty on cotton goods.	1·74	1·96	1·93	...	...	...	...	...
4. Deduct refunds ...	·29	1·04	3·13	·39	3·76	1·62	1·50	1·48
Total ...	17·60	19·38	21·29	14·44	11·63	13·63	12·52	12·06

The revenue under Income-Tax has shown wide fluctuations. Till 1925-26 the receipts were on the increase. Following the action of the Government of India, Excise duty on cotton goods was abolished in Mysore with effect from 1st April 1926. This measure has reduced the yield under this head by a couple of lakhs of rupees. Trade depression and decline in the assessable profits of the Gold Mining Companies contribute to the fall in the gross receipts under Income-Tax in recent years.

The labour strike on the Kolar Gold Fields which occurred in April 1930 will also prejudicially affect the collection of revenue under this head as well as under Gold Royalty and Power Revenue.

Stamps.

[In lakhs of rupees.

Minor heads	Actuals 1928–29	Budget 1929–30	Revised 1929–30
1. General Stamps	9·19	9·45	9·14
2. Court Fee Stamps	12.75	13·50	12·17
3. Stamped papers for copies	·74	·75	·75
4. Duty on impressing unstamped and insufficiently stamped documents	·36	·38	·32
5. Fines and penalties	·22	·25	·21
6. *Deduct*—Refunds	1·30	1·50	1·17
Total ...	21·96	22·83	21·42

The Stamp revenue was progressive till last year. The budget of the current year which counted on further growth is now found to be an over-estimate. Last year's figures included a special receipt of the Record of Rights Fees collected experimentally in the shape of court-fee stamps in the Bangalore Taluk; and there was some increase under court-fees on account of the establishment of the temporary Courts to clear arrears. The absence of these two factors and trade depression account for the fall under Stamps in the Revised.

Registration.

This head also shows a decrease (Rs. ·13 lakhs) which is said to be due to conditions not favourable for expansion of monetary transactions.

Assigned Tract Revenue.

The realisation from this source is Rs. 2·46 lakhs against Rs. 1·95 lakhs budgetted. The increase appears to be mainly due to expansion in the Excise revenue of the C. & M. Station.

Mining Revenue.

The experiment undertook by Government of working the Byrapur Chrome Mines by the agency of the Geological Department has been successful. A total sum of Rs. 2·60 lakhs was realised as profits from this venture in the years 1927-28 and 1928-29. The profits of this year will be about three-fourths of a lakh of rupees. Royalty on Gold shows, on the other hand, signs of a gradual decline.

Interest.

The interest realisable on loans and advances and on the State investments is better than the budget anticipation and there will be an increase of Rs. 1·38 lakhs in the Interest receipts.

The fall under XIII Miscellaneous, has already been explained in para 21 supra.

XIX A: Communications.

Business in the plying of motor buses for hire has been expanding and the increase in collection of motor license fees as the result of longer bus mileage accounts for the improvement of Rs. ·71 lakhs in the Revised under this head.

Reference has been made in para 21 supra to the fall anticipated in the Railway revenue of the current year.

The improvement in Electrical revenue of about Rs. 1·88 lakhs is due to larger consumption of power by the Metur Works.

Iron Works.

24. In preparing the budget of the current year, it was assumed that the revenue account of the Iron Works would yield a surplus of Rs. 2·48 lakhs, which was proposed to be transferred to Depreciation. According to the revised estimates furnished by the Works, the year's operations are likely to result in some little loss.

The transactions of the first half of the year have resulted in a loss of about a lakh of Rupees. The working of the second half-year is reported to be better and it is understood that action is being taken to recover certain amounts due as rebate on freight. If, as hoped, the dues are realised before the end of the year, the revenue expenditure of the Works may be practically covered by the receipts. In this view the balanced position assumed in the budget is repeated in the Revised.

Expenditure.

25. The total expenditure provided for in the budget amounted to Rs. 385·98 lakhs of which Rs. 15·42 lakhs were proposed to be charged to the Special and Irrigation Reserves.

26. During the course of the year, additional grants amounting to Rs. 7 lakhs were sanctioned (with the assent of the Legislature in respect of voted items) for meeting several urgent demands which are explained in detail in Annexure I. A supplementary grant of Rs. 42,000 is proposed to be given to the University for financing the construction of buildings required in connection with the transfer of the Medical College to Mysore. The more important of the items in the Annexure are mentioned below:—

Among the voted items, mention may be made of the additional grant sanctioned for the construction of new buildings at Hebbal for locating the Serum Institute, as owing to congestion in the present premises there was the danger of infection among the virus producing animals with pleuro pneumonia.

The provision of Rs. 3 lakhs made for the reception and entertainment of His Excellency the Viceroy in November last is the chief non-voted additional grant sanctioned by Government.

27. According to the Revised Estimates now framed the total expenditure is expected to stand at Rs. 387·49 lakhs, showing an excess over the budget of Rs. 1·51 lakhs, which will be fully covered by the improved revenues of the year.

28. The more important variations on the Expenditure side between the budget and the revised are indicated in the subjoined table.

In lakhs of Rupees.

Major Head	Budget 1929–30	Revised 1929–30	Increase + or Decrease —	Remarks
1 Land Revenue.	29·68	29·38	—·30	Non-utilisation of the lumpsum provision made for Re organisation of staff owing to the matter being under correspondence and also of that included for purchase of Inam lands forfeited for arrear of revenue.
2 Forest ..	15·34	14·28	—1·06	Savings in establishment, feed and keep of elephants and under timber operations.
9 Interest on Debt, etc.	39·34	40·49	+1·15	Increase in the S.B. deposits current and fixed and larger overdrafts in the Imperial Bank account for the rise.
12 General Administration.	15·09	18·97	+3·88	Due to H. E. Viceroy's Visit and additional tour charges of H. H. the Maharaja.
15 Pensions ..	16·16	15·46	—·70	Revised on the basis of actuals.
17 Miscellaneous.	·67	1·14	+·47	Increase due to special write off of irrecoverable loans.
23 Irrigation Works charged to Revenue.	15·00	13·98	—1·02	Surrender of grants owing to difficulty in securing labour.
24 Civil Works...	11,14	12·13	+·99	Additional grant for construction of Serum Institute and Ayurvedic College Building at Mysore.
27 Agriculture ...	13·50	12·93	—·57	Lapse in the grant for cattle breeding station owing to delay in the construction of buildings etc.
30 Grants for Public Improvements.	8·18	7·63	—·55	Lapse under Malnad Improvement works.
Net variations under other heads.	...	...	—·80	
Total increase ...	...	...	+1·51	

29. The expenditure chargeable to the Reserves aggregates Rs. 13·98 lakhs (against Rs. 15·42 lakhs budgetted for) the details of which are given below :—

[In lakhs of rupees.

	Budget	Revised
Special Reserve	10·42	10·00
Irrigation Capital Reserve	1·92	2·09
Irrigation Cess Fund	3·08	1·89
Total ...	15·42	13·98

The decrease in the drawings from the Reserves is mainly due to certain lapses and surrenders in the grants for Irrigation Works.

Capital Outlay.

30. The Capital Works programme in the budget provided for an outlay of Rs. 92·73 lakhs :—

[In lakhs of rupees.

	Budget	Revised	Remarks
37. Railways and Tramways ...	18·00	20·70	Increase due to payment of machinery and materials ordered from Western Countries last year but received this year.
38. K. R. S. Hydro-Electric and Irrigation Works.	...	...	
(a) Dam & Irrigation Works 50·82. (b) Hydro-Electric Works 15·00.	65·82	56·26	Surrender of grants.
39. Industrial or other Works ...	1·55	·75	The scheme of installing an Electrolitic plant has not matured.
New Bangalore Water Supply Project.	..	5·00	Additional grant sanctioned by Legislative Council.
40. Iron Works	7·36	7·36	
Total ...	92·73	90·07	

Against the budget provision the revised outlay is expected to stand at Rs. 90·07 lakhs. The bulk of the reduction is in respect of grants under the K. R. S. Hydro-Electric and Irrigation Works.

During the year sanction was accorded in G. O. No. P. W. 2955-66—11256-67, dated 15th March 1930, to the undertaking of the New Bangalore Water Supply Project at an estimated cost of Rs. 50·33 lakhs. The work besides being urgent is of a self supporting character. With the concurrence of the Legislative Council a grant of Rs. 5 lakhs has been sanctioned to cover the expenditure on this work till 30th June 1930. In view of the undertaking of this work of magnitude and of the need felt for conserving the capital resources, the capital programme of the year has been carefully reviewed and as the result of reductions effected in the grants for Krishnarajasagara Hydro-Electric and Irrigation Works, the revised estimate of capital outlay is placed at 90·07 inclusive of the provision made for the new work.

Ways and Means.

31. According to the Revised Ways and Means estimate of the current year, the closing balance is expected to stand at Rs. 55·14 lakhs against the budget anticipation of Rs. 50·78 lakhs. Viewed as a whole, the general financial position assumed in the budget is expected to be realised in the accounts of the year.

Budget Estimates 1930-31.

32. The Budget for next year anticipates a revenue collection of Rs. 379·82 lakhs and provides for a revenue outlay of Rs. 385·76 lakhs including a sum of Rs. 6½ lakhs chargeable to the Irrigation Reserves. The net expenditure to be met from the year's revenues will be Rs. 379·26 lakhs and the revenue transactions are expected to result in a surplus of Rs. 56,000.

33. The next year's revenue is likely to show a growth of Rs. 6·01 lakhs over the Revised, Excise and Hydro-Electric works mainly contributing to the improvement. There are some variations under other heads also.

34. The heads in which increases are anticipated are:—

Rs. in lakhs.

Heads	Revised 1929-30	Budget 1930-31	Increase
	Rs.	Rs.	Rs.
I. Land Revenue ..	128·64	129·62	·98
III. Excise	69·20	72·02	2·82
XIII. Miscellaneous ...	1·83	3·23	1·40
XIX. A. Communications ...	4·02	4·33	·31
XXIV. Railways	25·15	25·81	·66
XXV. K. R. S. Works ...	31·91	34·06	2·15
Minor increases under other heads.	...	...	·25
Total ...	...	..	+8·57

Percontra:—Forest, Mining Revenue Interest and other heads are expected to show a decrease of ·57, ·24, 1·41 and ·34 lakhs respectively. The net increase in revenues is Rs 6·01 lakhs.

Land Revenue.

34. The rise under Land Revenue is due to the expectation of the scheme of Record of Rights bringing in net receipts of Rs. two lakhs in the next twelve months *i.e.*, an increase of about a lakh over the revised. There are heavy arrears in fees to be collected and in response to the wishes of the people arrangements are being made for introducing the scheme in about 8 taluks during the next year. The Revenue Commissioner anticipates a gross collection of Rs. 4 lakhs, of which about two lakhs have been provided for expenditure on account of temporary establishment, labour and other charges, and the balance will remain at the credit of Government in the Treasury.

Forest.

35. The sales of Sandal oil were exceptionally good in 1928-29. That high level of business has not been maintained since. The next year's Budget is based on the revised anticipations of the current year.

A sum of Rs. ·56 lakhs is expected as profits from the creosoting of timber at Bhadravati.

Absence of special receipt from Kheddas which figures in the current year accounts for the fall in the next year's Forest revenue.

Excise.

36. Results of the sales of excise privileges for vend of Toddy and Arrack during the next year are satisfactory, and in view of this the Budget is placed at Rs. 2·88 lakhs above the Revised.

Income-tax.

37. This head of revenue does not record any progress. Trade depression is continuing and the labour strike on the Kolar Gold Fields has prejudicially affected the output from the Mines.

Interest.

38. The next year's estimate under Interest is based on the budget of this year as the circumstances contributing to the improvement in the current year cannot be expected to repeat.

Miscellaneous.

39. The head XIII Miscellaneous will show an advance as a special income of about Rs. 1½ lakhs is expected to be realised from the sale of building sites in the new extension behind the Central Jail, Bangalore.

Communications.

40. This head is progressive in view of the expansion in the business of plying motor buses for hire. The question of getting a refund of our share of the proceeds from the additional 2 annas tax levied on petrol consumed in the State is under correspondence with the Government of India. If, as we hope, the amount payable to us is received soon, it will be made available for expenditure on roads in the next year's programme.

Railways.

41. Traffic receipts of the current year have been low owing to exceptional causes. On the assumption of normal conditions and revival of traffic and in view of the opening of the Shimoga-Ragihosahalli Railway line an improvement of Rs. ·66 lakh is expected under receipts from Railways.

Krishnarajasagara Hydro-Electric and Irrigation Works.

42. Larger consumption of power by the Metur Works and normal development in the supply of electrical energy to Mills and Factories in Bangalore and to the lighting installations in several towns, the Municipal Councils of which have guaranteed interest on capital outlay, mainly account for the improvement in the Electrical Revenue of the ensuing year.

Iron Works:

43. The Budget of Iron Works for the next year provides for an Operation expenditure of Rs. 18·98 lakhs against Rs. 19·08 lakhs in the current year. The income is estimated at Rs. 25·08 lakhs showing an improvement of Rs. 8·45 lakhs over the Revised. The works have obtained large orders for supply of pipes of big diameter for the New Bangalore Water Supply Project, of cast iron sleepers to Railways and also of automatic gates for the Krishnarajasagara Dam.

The revenue account of the Works is expected to result in a small surplus which will be transferred to the account of depreciation.

44. A comparative statement of estimated revenue receipts of next year with reference to the Revised of the current year is annexed :—

(In lakhs of Rupees.

Group Heads	Revised 1929-30	Budget 1930-31	Increase + Decrease—	Remarks
Principal Heads of Revenue.—	Rs.	Rs.	Rs.	
I. Land Revenue...	1,28·64	1,29·62	+·98	Increase due to better collection of Record of Rights fees.
II. Forest ...	42·41	41·84	—·57	Fall due to absence of Khedda receipts.
III. Excise ...	69·20	72·02	+2·82	Improvement due to increased rentals of Toddy and Arrack shops secured for next year.
IV. Income-tax ...	12·06	12·08	+·02	
V. Stamp ...	21·42	21·45	+·03	
VI. Registration ...	3·77	3·80	+·03	
Total ...	2,77·50	2,80·81	+3·31	
VII. Surplus Revenue of the Assigned Tract.	2·46	2·60	+·14	
VIII. Mining Revenue	12·35	12·11	—·24	Fall due to reduced output of the Gold mines, collection being also affected by the labour strike.
IX. Interest ...	10·52	9·11	—1·41	Budget is based on normal money rates.
Civil Administration (Major Heads X to XIII).	3·17	4·52	+1·35	Increase due to anticipated sale proceeds from the disposal of sites in the extension behind Bangalore Central Jail.
Protection. (Major Heads XIV to XVIII).	1·29	1·24	—·05	
Public Works (XIX and XIX A).	4·96	5·23	+·27	Expansion in plying of motor buses.
Moral and Material Development XX-XXII.	2·80	2·70	—·10	
XXIII. Army and Defence.	95	87	—·08	
XXIV. Railway Revenue account. Net Receipts.	25·15	25·81	+·66	Revival of traffic and inclusion of receipts from Shimoga Ragi Hosahalli line.
XXV. Krishnarajasagara Hydro-Electric and Irrigation Works Net Receipts.	31·91	34·06	+2·15	Larger consumption of power by Metur Works Mills and Mills and Factories in Bangalore.
Industrial and other works Net Receipts.	76	76	+·01	
Total ...	3,73·81	3,79·82	+6·01	

Expenditure.

45. *Turning now to the expenditure side.*—The expenditure programme of next year provides for an outlay of Rs. 385·76 lakhs against Rs. 385·98 budgetted for this year. While the next year's revenues are expected to show an improvement of nearly Rs. 9 lakhs over this year's estimate framed in June last, every endeavour has been made to limit the growth of expenditure and keep it at the present level.

46. The more important variations as compared with the Revised Estimates and the chief items for which provision has been made in the Budget will now be referred to.

47. Under 1. Land Revenue, the lump sum provision of Rs. 15,000 made for revising the pay of the subordinate revenue establishment in the current year is repeated. The proposals for reorganisation have not yet finally matured. It is hoped that sanction will be accorded to a suitable scheme of revision to be given effect to in the coming year.

Additional funds are provided for phoding of lands with a view to speed up the disposal of darakhasts.

These items mainly account for the increase of Rs. 23,000 in the Land Revenue Department.

The scheme of Record of Rights will have been introduced in 16 taluks before the end of this year. It is proposed to extend it to 8 more taluks during the ensuing year. This scheme has so far been self-supporting. The fee receipts have more than covered the expenditure. For the next year, a lump sum provision of Rs. 2 lakhs has been made, which is expected to be financed from the fees recoverable for mapping and subdivision of lands.

48. The Forest Department requires adequate funds for larger exploitation of timber to supply sleepers to the Railway Department and balgi poles to the Electrical Department. Supply of firewood to the Mysore Railways and Sandal Oil Factory has also to be arranged for. Special attention is being paid to cultural operations and there is greater activity in regard to sowing and planting. With a view to secure better prices it is necessary to have the depots stocked with seasoned timber. The Forest Budget is accordingly placed at Rs. 15·69 lakhs on the basis of the current year's estimate.

49. A special addition of Rs. 1½ lakhs was made under 3 Excise in the current year to provide for the purchase of the plant and machinery in the Excise Distillery from the outgoing contractor, as the present arrangement of asking the incoming contractor to

pay for these was not satisfactory. The absence of this item in the next year accounts for the large decrease in the Budget.

50. The Major Head—9 Interest on debt and other obligations is responsible for an increase of Rs. 1·48 lakhs chiefly on account of interest payable on accretions to deposits in the Savings Bank and to the balances of the State Life Insurance, Provident and other Funds.

51. The large decrease under General Administration is due to the absence of the special provision made in the current year for His Excellency the Viceroy's Visit. Next year's estimate follows the current year's budget.

52. The provision made for 1931 Census operations accounts for the increase under Scientific and Miscellaneous Departments.

53. The grant under Police is enhanced by about Rs. 44,000. In the current year a beginning was made in the reorganisation of the Police Department, providing for increases in pay as well as in the strength of the subordinate police force, at an aggregate cost of Rs. 50,000 per annum. The pay of the constabulary is low. To give some increase to the last class of constables a lumpsum provision of Rs. 30,000 has been made in the next Budget.

54. Fairly liberal provisions have been made to meet the demands of the Medical and Public Health Departments. A comprehensive scheme for reorganisation of the Public Health Department was sanctioned in G. O. No. G. 6680-730—Sany. 55-27-34, dated 28th November 1929, in consultation with Dr. Sweet, Representative of the Rockfeller Foundation (America) and the Budget of the Public Health Department of next year provides for the undertaking of activities in the combating of Malaria, Hookworm and other diseases and in the expansion of Sanitary Engineering Works.

55. The grant for Irrigation Works charged to revenue has been placed at Rs. 14·50 lakhs, of which Rs. 8 lakhs will be charged to General Revenues including the current interest on the Famine fund and Rs. 6½ lakhs will be met from the Irrigation Cess Fund.

Outlay on Irrigation Works including ordinary maintenance and repairs are now financed from several sources, *viz.*

(1) Capital funds.
(2) Current revenues.
(3) Reserves built out of revenue surpluses.
(4) Contributions from raiyats and other sources.
(5) Irrigation Cess Fund.
(6) Loans and advances recoverable from raiyats.

In view of their importance Government have considered it desirable to present as one whole all operations in regard to the outlay on Irrigation Works.

A separate appendix to the general Budget will comprise all Irrigation works including those financed from borrowed funds as well as from loans and advances made by Government.

56. The requirements of the Public Works Department for roads and communications inclusive of establishment charges amount to Rs. 13 lakhs.

According to the sanctioned arrangement the Department is entitled to a grant of Rs. 11 lakhs for works excluding provision for establishment and tools and plant, *viz.*, Rs. 2 lakhs.

Pending the receipt of the State's share of the additional tax on petrol levied by the Government of India the next year's Budget is placed at Rs. 11 lakhs.

The Public Works Department will ask for an additional grant, if the progress of expenditure is satisfactory and plans and estimates are ready for further outlay being incurred.

57. The grants for Civil Works are confined to sanctioned works in progress and only absolutely minimum requirements are provided for.

58. The budget grant for the University in the current year was Rs. 12 lakhs. This is proposed to be supplemented by an additional grant of Rs. 42,000 for completion of the building works in progress.

For the next year, the grant to the University will be fixed at Rs. 11·75 lakhs including a special addition of Rs. 1 lakh earmarked for buildings and equipment of the Medical College proposed to be transferred to Mysore from 1st July 1930.

Owing to limited funds, it has not been possible to provide for any new works in the programme of Educational buildings.

In view of these variations the total budget of 26 Education is about a lakh less than that of the current year.

Provision has however been made for normal expansion in all grades of Education.

59. The Agriculture Budget provides for the consolidation and development of activities undertaken in the several sections including the Cattle Breeding Station established at Ajjampur, Kar Ragi Station at Hunsur, Coffee Experimental Farm at Balehonnur and the Serum Institute at Bangalore. Provision has also been made for normal expansion in Sericulture.

60. The Industries and Commerce Budget includes a special grant of Rs. 20,000 for the manufacture of Electric Insulators and ploughs. Sanction to this experiment was

accorded in G. O. No. D. 10423—I. & C. 279-29-5, dated 21st March 1930. The grant of Rs. 12,000 additionally provided in the current year is not expected to be spent.

The experiment of well-boring through power drills has yielded promising results. A sum of Rs. 84,000 is provided in the next year's budget for the purchase and manufacture of power drills. It is proposed to provide each district in the State with at least one power drill for use in the district area.

61. Improvement in revenue receipts over the budget anticipation of the current year and expectation of the continuance of favourable seasonal conditions in the ensuing year have made it possible to provide out of the annual revenues for the several beneficient measures above referred to after meeting practically all the needs of the administration on the existing standard.

62. The subjoined table furnishes a comparison of the Major Head grants for next year with the previous level of expenditure for three years with necessary remarks explaining the more important variations from the Revised.

In lakhs of rupees

Major Heads	Accounts 1927-28	Accounts 1928-29	Revised 1929-30	Budget 1930-31	Increase + Decrease −	Remarks
1. Land Revenue ...	28·37	28·89	29·38	29·61	+·23	.....
2. Forests ...	13·82	16·28	14·28	15·69	+1·41	Due to enhanced provision made in the Budget (1930-31) under (1) conservancy works (2) other produce (3) buildings (4) working plans (5) survey planting etc.—
3. Excise ...	4·21	4·46	5·81	4·52	−1·29	Due to absence of the special item of 1,37 appearing in the revised under stock and block of the Distillery.
3A. Income-tax ...	·92	·84	·80	·82	+·02	.....
4. Stamps ...	·92	·92	·80	·97	+·17	.....
5. Registration ...	1·56	1·70	1·75	1·78	+·03	.....
7. Supervision of Mines.	2·08	2·05	2·21	2·09	−·12	.....
8. Sinking Fund ...	18·78	18·78	18·78	18·78	..	.....
9. Interest on debt and other obligations.	35·77	37·55	40·49	41·97	+1·48	The demand for 30-31 under Interest on F. D. is 1 lakh more than the revised. The increase is also partly due to normal additions under other heads under 2 Interest on other obligations.
11. Palace ...	26·10	26·10	26·10	26·10	...	.....
12. General Administration.	15·90	15·42	18·97	15·08	−3·89	The revised includes a special provision on account of the Viceregal visit.
13. Muzrai Institutions.	3·52	3·57	3·58	3·59	+·01	.. ...
14. Scientific Miscellaneous.	1·07	·93	·99	1·90	+·91	The increase is on account of census operation.
15. Pensions and allowances.	14·45	14·64	15·46	15·63	+·17	.....

In lakhs of rupees

Major Heads	Accounts 1927-28	Accounts 1928-29	Revised 1929-30	Budget 1930-31	Increase+ Decrease—	Remarks
16. Stationery and Printing.	3·38	3·68	3·61	3·66	+·05	.....
17. Miscellaneous ...	·93	1·14	1·14	·73	—·41	The revised includes a special item of 'irrecoverable items written off.'
18. Courts of Law ...	10·36	10·96	11·02	11·18	+·16	.....
19. Jails ...	1·44	1·33	1·40	1·42	+·02	.....
20. Police ...	16·29	16·74	17·44	17·88	+·44	Due to additional provision for the improvement of the prospects of the constabulary.
21. Medical ...	11·45	11·78	11·71	12·44	+·73	Increased provision made for 'diet of patients, grant for new dispensaries, purchase, of medicines, equipment of few hospitals and special provision for P. K. T. S.
22. Sanitation ...	1·22	1·51	1·58	1·93	+·35	Due to the establishment of a Bureau of Sanitary Engineering fellowships tenable in India, improvement of pay of staff P. H. Institute and undertaking beneficient activities for combating Hookworm and malaria.
23. Irrigation Works charged to Revenue.	11·46	12·57	13·98	14·50	+·52	For speeding up of the sanctioned works increased provision is made.
24. Civil Works ...	22·29	10·95	12·13	10·00	—2·13	Grants for new works are not allowed.
24A. Communications.	...	15·73	11·29	11·00	—·29	Do
25. Economic Development.	1·03	1·08	1·09	1·00	—·09	.....
26. Education ...	46·44	51·91	54·37	53·67	—·70	Due to less provision under 'University' and Educational buildings.
27. Agriculture ...	9·30	11·36	12·93	13·79	+·86	Due to additional provisions included in the Budget for (1) Kar Ragi breeding station, buildings and other charges, opening of new veterinary Hospitals, cattle breeding station and buildings.
28. Industries and Commerce.	1·99	1·61	1·73	2·20	+·47	Due to provision for manufacturing electric insulators and ploughs.
29. Co operative Societies.	1·21	1·30	1 61	1·67	+·06	.....
30. Grants for Public Improvements.	7·03	7·27	7·63	7·20	—·43	.....
31. Army ...	18·91	19·34	18·73	18·26	—·47	Due to reduction in the strength of the Transport corps and savings in establishment and feed and keep of animals.
32. Subsidy ..	35·00	24·50	24·50	24·50	...	.....
33. Miscellaneous Railway Expenditure.	·21	·25	·20	·20	...	.....
Special Reserve for non-recurring expenditure.	·98	5·13	...	...	...	.....
Total ..	368·39	382·26	387·49	385·76	—1·73	
Deduct expenditure met from Reserve Fund.	7·99	8·23	13·98	6·50	—7·48	
Total expenditure charged to Revenue.	360·40	374·03	373·51	379·26	+5·75	

63. A statement showing the particulars of items of not less than Rs. 2,000 included under Miscellaneous and other items in the Revenue and Expenditure Estimates of 1930-31 is as usual appended. *Vide* annexure (iii).

64. In accordance with the approved policy of speeding up construction of Irrigation Works by utilising the available Irrigation Reserves a sum of Rs. 6½ lakhs out of the grant of Rs. 14½ lakhs will be drawn from the Irrigation Cess Fund.

65. In the result the revenue account of the next year will stand balanced with a surplus of Rs. 56,000.

Capital Outlay.

66. The grants for the Capital departments for next year are fixed at Rs. 77,52,000. The details of the allotments to the different departments are as follows:—

		Rs.
37.	Railways	12·00 lakhs
	For open lines ... Rs. 10 lakhs	
	For lines under construction ... „ 2 „	
38.	K. R. S. Hydro-Electric and Irrigation Works—	
	A. Dam Works (including provision for automatic gates.)	5·91 „
	B. Irrigation Works (Irwin Canal Works.) ...	18·09 „
	C. Hydro-Electrical Works including Transmission line to Thippagondanahalli.	14·46 „
	Total ...	38·46 „
	Industrial or other Works	2·06 „
	New Bangalore Water Supply Project ...	15·00 „
	Iron Works	10·00 „
	Total ...	77·52 „

For the open lines of the Railways, a sum of Rs. 10 lakhs has been provided for the Railways worked by Government and those worked by M. & S. M. Company, together.

The construction of the Ragihosahalli-Arsalu Railway is expected to be completed in the course of the next year. A sum

of Rs. 1 lakh is provided as the balance of the estimate of this work. It is proposed to extend this railway up to Ananthapur and a sum of Rs. 1 lakh is provisionally included in the Budget for this purpose.

For the Irwin Canal Works and for raising the Waste Weir of the Krishnarajasagara Dam including the fixing up of automatic gates a sum of Rs. '24 lakhs has been proposed.

The grant for the Electrical Department includes provision for the completion of the VIIth Installation Works, for the electrification of several mofussil towns the municipalities which have guaranteed interest on capital, and a sum of Rs. 5 lakhs is also provided for the new work—Transmission line to Thippagondanahalli.

Under Industrial or other works an aggregate provision of Rs. 2·06 lakhs has been made for the following items of work:—

	Rs.
For installing in the Weaving Factory a Demonstration plant for the manufacture of high grade silk fabrics.	1·20 lakhs.
For buildings and machinery in the Sandal Oil Factory ...	·50 ,,
Central Industrial Workshop (Minor Works.) ...	·20 ,,
Soap Factory (Minor Works)	·15 ,,
K. G. F. Water Works	·01 ,,
Total ...	2·06 ,,

A provision of Rs. 15 lakhs is made for the New Bangalore Water Supply Project.

The capital demands of the Iron Works during the ensuing year include the following items :—

	Rs.
Extension of Tramways	1·50 lakhs.
Development of the Pipe Foundry	1·00 ,,
Development of the General Foundry	0·50 ,,
Additional equipment of the Sleeper Foundry ...	0·50 ,,
Development of the Machine Shop	1·50 ,,
Additional Power Supply	4·00 ,,
Minor Works	1·00 ,,
Total ...	10·00 ,,

It is anticipated that during the next year, a sum of about Rs. 10 lakhs will be released from the Working Advance placed at the disposal of the concern and no additional demand on the Treasury will be made, the proposal being only to use for fixed capital the sum released from floating capital.

Depreciation Fund Works.

67. A grant of Rs. 11·90 lakhs as per details given below has been made for Depreciation Fund Works, which will be financed out of funds formed for that purpose in the Railway and Electrical Departments and also in the revenue accounts of Sandal Oil Factory and Kolar Gold Fields Water Works.

In lakhs of rupees.

	Rs.	Rs.
1. Krishnarajasasagara Hydro-Electric and Irrigation Works :—		
VII Installation Works. Sivasamudram Kolar Section	2·29	
Unforeseen and other works ...	·40	
		2·69
2. Railways :—		
(a) Normal works of renewal and replacements	5·00	
(b) Re-railing of the Birur-Shimoga line with 60 lbs. rails ...	4·00	
		9·00
3. Sandal Oil Factory		·18
4. Kolar Gold Fields Water Works		·03
Total ...		11·90

Ways and Means.

68. An abstract of the ways and means position during the current and next years compared with the accounts of the last four years is given in the following table:—

[In lakhs of rupees.

Heads	Accounts				Revised	Budget
	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31
RECEIPTS.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Surplus ...	·34	...	·41	·56	·30	·56
2. Interest on Mysore Railway Loan Sinking Fund Investments ...	5·00	5·01	...	5·01	5·01	5·01
3. Capital not charged to revenue. (Contribution by District Boards for construction of railways.)	2·70	3·52	—·48	·09	·23	·12
4. Debt ...	...	...	3·67	..	...	100·00
5. Unfunded debt (*viz.*, Savings Banks deposits, etc.)	33 41	22·09	41·44	52·48	43·32	18·61
6 Investments ...	...	...	2·78	...	31·47	...
7 Reserve funds *net* ...	...	29·39	27·94	35·09	15·91	27·26
8. Other heads ...	43·39	23·44	9·84	16·05	2·22	6·35
Total ...	84·84	83·45	85·30	109·28	98·46	157·91
DISBURSEMENTS.						
9. Deficit ...	...	8·71	...	...	...	...
10. Capital outlay not charged to revenue ...	28·01	28·49	68·51	—3·02	90·07	77·52
*10a. Extraordinary expenditure ...	..	..	..	89·83		
11. Commutation of Pensions (net) ...	...	...	1·62	2·90	1·60	1·50
12. Investment accounts ...	35·12	31·65	...	18·99	...	29·35
13. Debt ...	...	...	...	..	...	...
14. Local and other funds ...	10·60	5·65	11·57	1·14	2·96	·30
15. Other heads *net* ..	22·53	15·04	6·20	16·81	11·22	3·90
Total Disbursements ...	96·26	89·54	87·90	126·65	105·85	112·57
Net Outgoings ...	—11·42	—6·09	—2·60	—7·37	— 7·39	+45·34
Opening Balance ...	100·00	88·58	82·49	79·90	62·53	55·14
Closing Balance ...	88·58	82·49	79·90	62·53	55·14	100·48

*This extraordinary expenditure is due to the writing down of the capital outlay of the Iron Works in the circumstances explained in G. O. No. D. 1346-7—I, W. 14-27-6, dated 11th July 1929.

69. The scheme of Five Year Fixed Deposits in Savings Banks sanctioned with effect from 1st January 1928 has continued to be popular with the investing public. The deposits received to-date under this arrangement have amounted to Rs. 66 lakhs.

70. The large capital programme including the construction of the Irwin Canal Works and the completion of the VII Installation works account for the heavy cash outgoings. It has not therefore been possible to invest surplus cash balances in liquid securities as in the earlier years of the period under review, *viz.*, 1925-26 and 1926-27.

71. As the Treasury position would not admit of fresh investments on account of loan sinking fund, transfer of securities from the general investment account to the sinking fund investment account has also become necessary.

72. The resource operations are being worked with a minimum treasury balance. The continual decrease in the cash balance in the State's Treasuries and Banks is due to the revised arrangement of financing the treasury requirements by obtaining temporary overdraft during the lean months of the year, instead of keeping cash balances idle at the commencement of the year in the State's Treasuries. The accretions to Savings Bank and other deposit balances with the reduction in cash balances has to a large extent facilitated the financing of big capital works, without resort to market borrowing.

73. The New Bangalore Water Supply Scheme including the construction of a reservoir at Thippagondanahalli having been undertaken at a cost of Rs. 50·33 lakhs the capital resources require to be supplemented.

The 7 per cent loan floated in 1921 is due for discharge on 1st November 1931. The question of replacing this loan by another of a lower rate of interest has been under the consideration of Government for some time. It has been decided to float a loan of Rs. Three Crores as soon as it is convenient to do so in the course of this calendar year offering conversion terms and inviting cash subscriptions as well. The Ways and Means estimate of next year takes into account the cash receipts of Rs. 100 lakhs anticipated from the flotation. With the help of this resource, the closing balance on 30th June 1931 is expected to be brought up to the level of the Treasury balance on 1st July 1925.

Assets and Liabilities.

74. The usual statements showing the Assets and Liabilities of the State as on 1st July 1929 and as they are expected

to stand on 30th June 1930 and 30th June 1931 according to the Revised Estimates of 1929-30 and the Budget of 1930-31 are attached to the Memorandum. (*Vide* Annexure ii.)

75. The State's capital investment in the form of fixed assets will be roughly Rs. 14 crores at the end of 1930-31 and the net return expected from the productive works during the next year is Rs. 60 lakhs, which fully cover the interest and sinking fund charges and yield beside a net profit of Rs. 6 lakhs in the shape of interest. Viewed as a whole, the State's properties are yielding a reasonable retun on the invested capital. The gross assets of the State are expected to rise in two years by about Rs. 2·16 crores. The net assets will be Rs. 7·09 crores by the end of June 1931 against Rs. 5·23 crores at the commencement of the current year, thus showing an increase of Rs. 1·86 crores during the interval. It is hoped that the conversion operation will be successful and that the sinking fund already built up for the redemption of the 7 per cent loan will be released from the liability side.

76. The public loan liabilities of the State including the Shimoga District Board Railway loan amount to Rs. 5·19 crores the details for which are as under:

	In lakhs of Rupees.
I. Mysore Railway Sterling Loan of 1886 £1,200,000 ...	1,60·62
II. Rupee Loans—	
(i) 4 per cent Loan of 1906-07 notified for discharge in 1921.	·07
(ii) 5½ per cent Loan of 1919–20 repayable in 1929-44 ..	8·80
(iii) 6¼ per cent Loan of 1920-21 repayable in 1940 ...	1,19·36
(iv) 6½ per cent Loan of 1921-22 repayable in 1941-51 ...	30·50
(v) 7 per cent Loan of 1921-22 repayable in 1931 ...	1,95·56
(vi) Shimoga District Board Railway Loan (Taken over by Government). ..	3·71
Total ...	5,18·62

The Railway Sterling Loan Sinking Fund built up by the State amounts to Rs. 1,24,65,000. As the State has, besides, purchased Southern Mahratta 4 per cent Debenture stock of the face value of about £521,476 the sterling debt may be considered as fully covered.

As regards the rupee loans, sinking funds for repayment of the three loans, *viz.*, 6¼ per cent, 6½ per cent and 7 per cent bonds issued in 1920-21 and 1921-22, have been constituted and the following instalments will have been paid by the General Revenues up to 30th June 1930.

(1) Ten out of 20 instalments of the 6¼ per cent Loan.
(2) Nine out of 20 instalments of the 6½ per cent Loan.

(3) Nine out of ten instalments of the 7 per cent ten year Loan.

The aggregate amount of these three sinking funds with accumulated interest will amount to about Rs. 221·37 lakhs at the end of the current year which covers about 64 per cent of the Rupee liabilities. The total contribution still to be made for the dischage of the debt is about Rs. 124 lakhs.

BANGALORE,
25*th May* 1930.

B. SRINIVASA IYENGAR,
Financial Secretary.